

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 02518 100711Z
ACTION PM-04

INFO OCT-01 EUR-12 NEA-10 ISO-00 MC-02 CIAE-00 INR-07
NSAE-00 TRSE-00 OMB-01 L-03 IGA-02 /042 W
-----100938Z 109400 /13

R 091400Z MAY 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 7972
INFO AMEMBASSY LISBON
SECDEF/ISA (SA)/DSA WASHDC
DA WASHDC//DACS-SA/DAMO-SSA//
USCINCEUR//ECJ4/7//
JCS WASHDC//J5//

C O N F I D E N T I A L KUWAIT 2518

E.O. 11652: GDS
TAGS: MASS KU
SUBJECT: COMMERCIAL SALE OF ARMORED PERSONNEL CARRIERS TO
KUWAIT: STATUS AND RECOMMENDATIONS

REF: 76 STATE 063992 (162359Z MAY 76) (NOTAL)

1. AFTER SOME TEN DAYS OF DISCUSSIONS WITH DEF MIN
PERSONNEL IN LATEST OF SEVERAL VISITS, FMC CORP REPRESENTATIVES DEPARTED MAY 4 TO WORK UP DETAILED OFFERS TO SELL M-113 APC'S ON COMMERCIAL BASIS TO KUWAIT. FMC SCHEDULED TO RETURN WITH OFFERS ABOUT JUNE 1. FOR BUDGETARY REASONS GOK HAS ASKED FOR ALTERNATIVE OFFERS, ONE FOR 164 APC'S, TO EQUIP TWO MECHANIZED INFANTRY BATTALIONS, AND ANOTHER OFFER OF 179 APC'S TO EQUIP SAME TWO BATTALIONS PLUS MECHANIZED BRIGADE HEADQUARTERS. EACH ALTERNATIVE OFFER WOULD BE FOR FULLY EQUIPPED VEHICLES (WEAPONS, AMMUNITION, ALL TRAINING, SPARES, AND COMMUNICATION EQUIPMENT). FMC REPS SAY THAT IF THE APC SALES CONTRACT IS SIGNED WITH THE GOK IN JUNE, SHIPMENT TO KUWAIT CAN START WITHIN 5 TO 6 MONTHS THEREAFTER.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 02518 100711Z

2. ACCORDING TO FMC, SALE WILL PROBABLY BE ARRANGED IN FORM OF TWO CONTRACTS: A) ONE FOR THE VEHICLES, SPARES, AND COMMUNICATION EQUIPMENT INSTALLED IN THE VEHICLES AT THE TIME OF MANUFACTURE IN US, PLUS ALL TRAINING; B) THE SECOND WILL COVER WEAPONS AND AMMO PROCURED FROM PORTUGAL - INCLUDING 50 CALIBER MACHINE GUNS AND 81 MM MORTARS TO BE INSTALLED

ON VEHICLES AFTER ARRIVAL IN KUWAIT. FMC REP TOLD US MARCH 28, ON PREVIOUS VISIT, THAT FMC DID NOT BELIEVE USG PERMISSION WAS NECESSARY IN CONNECTION WITH THE TRANSFER TO KUWAIT OF ANY WEAPONS OR AMMUNITION. EMBASSY UNFAMILIAR WITH PROCEDURES, IF ANY, REQUIRED IN SUCH TRANSACTION.

3. FMC ESTIMATED COST OF FIRST CONTRACT WOULD BE BETWEEN \$24 AND \$25 MILLION, WHILE SECOND CONTRACT FOR MATERIAL PROCURED OVERSEAS WOULD RUN BETWEEN \$3 AND \$5 MILLION.

4. EMBASSY IS AWARE THAT THE INTERNATIONAL SECURITY ASSISTANCE AND ARMS CONTROL ACT OF 1976 PROVIDES FOR 30-DAY CONGRESSIONAL REVIEW OF COMMERCIAL SALES OF MAJOR DEFENSE EQUIPMENT CONSTING \$7 MILLION OR MORE. IN VIEW OF 1976 CONGRESSIONAL APPROVAL OF LETTER-OF-OFFER FOR 161 APC'S, WILL IT BE NECESSARY FOR DEPARTMENT TO FORWARD AN FMC MUNITIONS EXPORT LICENSE APPLICATION TO CONGRESS PRIOR TO LICENSE ISSUANCE? IF SO, CAN DEPARTMENT ESTIMATE TOTAL LENGTH OF WAIT INCLUDING 30 DAYS?

4. EMBASSY DOES NOT CONSIDER THE SMALL INCREASE IN NUMBER OF VEHICLES REQUESTED (EITHER 3 OR 18) WOULD WARRANT RESUBMISSION TO CONGRESS, ALTHOUGH APPROPRIATE CONGRESSIONAL COMMITTEES SHOULD PROBABLY BE INFORMED OF CHANGE. DEPARTMENT WILL RECALL THAT WHEN EARLIER GOK REQUEST WAS SUBMITTED FOR FMS SALE OF 161 APC'S, WHICH WAS NOT CONSUMMATED BECAUSE OF LEAD TIME PROBLEMS, IT CONCURRED IN THE JCS FINDING THAT A SALE OF THIS MAGNITUDE WAS JUSTIFIED ON MILITARY GROUNDS AND IT JUDGED THE REQUEST CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 02518 100711Z

TO BE BALANCED AND REASONABLE IN TERMS OF KUWAITI FORCE STRUCTURE, THE POTENTIAL THREAT, AND THE LACK OF POTENTIAL REGIONAL DESTABILIZATION BECAUSE OF THE SMALL NUMBERS INVOLVED. EMBASSY STRONGLY BELIEVES THAT THIS IS STILL THE CASE TODAY AND RECOMMENDS THAT THE DEPARTMENT APPROVE FMC'S EXPORT LICENSE APPLICATION WHEN SUBMITTED. SHOULD THE DEPARTMENT NEED ADDITIONAL INFORMATION OR EMBASSY VIEWS CONCERNING THIS COMMERCIAL TRANSACTION, WE WOULD BE HAPPY TO OBLIGE.
MAESTRONE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, ARMED FORCES, POLICIES, MILITARY SALES, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT02518
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770164-0019
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770579/aaaacqkj.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a47c4698-c288-dd11-92da-001cc4696bcc
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 63992
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2598380
Secure: OPEN
Status: NATIVE
Subject: COMMERCIAL SALE OF ARMORED PERSONNEL CARRIERS TO KUWAIT: STATUS AND RECOMMENDATIONS
TAGS: MASS, KU
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/a47c4698-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009